

# RICHARDSON LAW GROUP

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Celie B. Richardson  
Attorney

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October 18, 2010

BY CERTIFIED MAIL,  
RETURN RECEIPT REQUESTED

The Vue-North Carolina, LLC  
c/o MCL Companies  
455 E. Illinois, Suite 565  
Chicago, IL 60611

## NOTICE OF CANCELLATION OF CONTRACT Lawrence V. Berkovich and Ke Ding Berkovich Unit 5102

Dear Sir or Madam:

On behalf of my clients, Lawrence V. Berkovich and Ke Ding Berkovich, this is notice of cancellation of the contract to purchase unit 5102 in the Vue-Charlotte, executed on December 16, 2008. Their signed authorizations for me to send this notice of cancellation on their behalf are attached. This notice is delivered to you at the address specified in Section 20 of the contract. Please return the earnest money in the amount of \$145,485.00 to me.

This notice of termination is within the two-year termination period allow by federal law. I offer the following in hopes that disputes can be avoided.

Contracts for the sale of condominiums in interstate commerce are governed by the Interstate Land Sales Act, 15 U.S.C. § 1701, *et seq.*, and the HUD regulations promulgated pursuant to the act, found in Title 24, Chapter X, of the Code of Federal Regulations. *See, e.g., Ndeh v. Midtown Alexandria, LLC*, 300 Fed.Appx. 203, 2008 WL 4934502 (4<sup>th</sup> Cir. 2008); *Bacolitsas v. 86<sup>th</sup> & 3<sup>rd</sup> Owner, LLC*, 2010 WL 3734088, S.D.N.Y. no. 09 Civ. 7158, 9-21-2010). The contract recites the OILSR number for The Vue.

Both the Act and the regulations provide that unless a deed is delivered to the purchaser within 180 days of execution of the contract, the purchaser may cancel the contract within two years of execution of the contract unless certain provisions are included in the contract. 15 U.S.C. § 1703; 24 C.F.R. 1710.105. A deed was not delivered to Mr. and Mrs. Berkovich within 180 days of execution of the contract. In fact, the contract states that this will not be done, in that the seller's estimated closing date is December 31, 2011, which is more than three years after execution of the contract. Contract, § 7.

EXHIBIT

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Further, the contract does not contain at least one of the required provisions, "[a] legally sufficient and recordable lot description." 24 C.F.R. 1710.105(d)(iii)(A). The legal description included in the contract is not recordable under North Carolina law because the signatures are not notarized. *E.g.*, N.C. GEN. STAT. § 47-17. *See Bacolitsas*, above, which analyzes this issue pursuant to the identical New York law. The legal description is also legally insufficient because it does not include any physical location. It does not refer to any particular plat or plan, any particular declaration of condominiums, any metes and bounds, or prior deed reference. Therefore, the contract was required to state:

Under Federal law you may cancel your contract or agreement any time within two years from the date of signing.

24 C.F.R. 1710.105(d)(iv). The contract fails to do so. Instead, it erroneously states that the purchaser has only seven days to cancel.

Federal law does not require the purchaser to have a reason for cancellation within the two-year period. This cancellation is in the purchaser's sole discretion.

This cancellation is therefore timely and effective. Please return the earnest money to me, payable as stated above. If you have any questions, please advise.

Sincerely yours,

A handwritten signature in cursive script that reads "Celie B. Richardson". The signature is written in dark ink and is positioned above the printed name.

Celie B. Richardson

## AUTHORIZATION

We authorize Celie B. Richardson to act on our behalf regarding cancellation of the contract to purchase unit 5102 in the Vue-Charlotte condominium, including authorization to cancel the contract.

\_\_\_\_\_  
Lawrence V. Berkovich

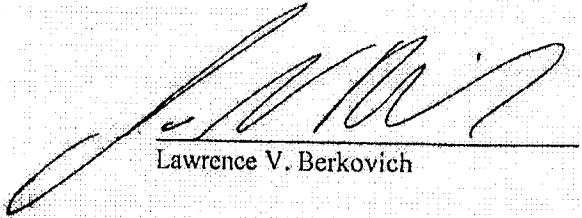
Date: \_\_\_\_\_

*Ke Ding Berkovich*  
\_\_\_\_\_  
Ke Ding Berkovich

Date: 10/15/2010

# AUTHORIZATION

We authorize Celie B. Richardson to act on our behalf regarding cancellation of the contract to purchase unit 5102 in the Vue-Charlotte condominium, including authorization to cancel the contract.



Lawrence V. Berkovich

Date: Oct. 18, 2010

\_\_\_\_\_  
Ke Ding Berkovich

Date: \_\_\_\_\_